

**Exhibit A in Support of Student
Resource Center, LLC's Motion for
Prejudgment Attachment**

**STUDENT RESOURCE CENTER,
LLC,**

Plaintiff,

V.

**EASTERN GATEWAY COMMUNITY
COLLEGE,**

Defendant.

Case No. 2:22-cv-2653

Chief Judge Algenon L. Marbley

Magistrate Judge Chelsey M. Vascura

DECLARATION OF ROBERT FOLLAND

I, Robert Folland, being first duly sworn, depose, and state as follows:

1. I am an individual currently residing in the State of Ohio and am over the age of 18 years. I have personal knowledge of the facts stated herein and am competent to testify with respect to them.

Nature, Legal Basis, and Amount of Claims

2. I submit this declaration in support of Student Resource Center, LLC's Brief in Support of SRC's Motion for Prejudgment Attachment in accordance with R.C. § 2715, *et seq.*, which permits for a motion for prejudgment attachment to be support by an affidavit of an attorney.

3. I am the acting trial attorney representing Student Resource Center, LLC (“SRC”) in the above-captioned litigation.

4. SRC partners with higher education institutions to support students by

marketing affordable online courses and programs for union and professional association members.

5. SRC's primary revenue stemmed from a June 30, 2017 Collaboration Agreement (the "Agreement") between SRC and Eastern Gateway Community College ("EGCC"). I'm familiar with the Agreement, which is **Attachment A** to this declaration.

6. SRC filed its Complaint and a Motion for Preliminary Injunction in the above-captioned matter on June 30, 2022 based on EGCC's refusal to reimburse SRC for undisputed operating expense reimbursements, profit sharing payments, as well as EGCC's violation of Title IV, its efforts to compete with SRC, and its improper attempt to terminate the Agreement.

7. On July 11, 2022, the Court entered its Opinion and Order granting SRC's Motion for a Preliminary Injunction, barring EGCC from its attempt to terminate the Agreement, and finding that SRC established a likelihood of success on its claim against EGCC regarding the non-competition clause. (*See* ECF No. 14, PAGE ID # 287).

8. On August 23, 2022, the court expanded the preliminary injunction to include SRC's claim for withheld profit-sharing payments for fall semester 2021 and before, finding that "SRC is likely to show the College breached its contract by withholding these profit-sharing payments many months past the due date." (ECF No. 23, PAGE ID # 690; see also PAGE ID # 692.)

9. SRC's Motion for Summary Judgment (ECF No. 85) describes EGCC's breaches of the Agreement and SRC's resulting damages: \$47,432,205 in expectation damages (Counts III and V); \$7,056,205 for profit-sharing payments for Fiscal Year 2022 and \$2,330,867 in profit-sharing payments for Fiscal Year 2023 (Count IV); and \$908,749.62 in Operating Expenses from September 6, 2022 through May 23, 2023 (Count VI) and \$300,000 in Operating

Expenses from prior to September 2022 (Count II).

Grounds for Attachment

10. SRC asserts as grounds for attachment Ohio Rev. Code § 2715.01(A)(7) and (9).

11. I am aware that EGCC's board of trustees held a meeting on May 15, 2024, and that a recording of that meeting is available at <https://www.youtube.com/watch?v=SM3wDyHtjxs> (the "Board Video").

12. It is a matter of public record that at its May 15, 2024, meeting, EGCC's board of trustees adopted resolution 2024-23, a resolution to sell the college's Pugliese Center, located at 110 John Scott Highway, in Steubenville, and its assets, to Steubenville City Schools. (Board Video 7:37-9:05.)

13. It is also a matter of public record that at its May 15, 2024 meeting, EGCC's board of trustees approved resolution 2024-27, to dissolve the college on October 31, 2024. (Board Video 12:35-16:19, although the video does not show the vote).

14. I am aware that local news media reported has on this vote: Dave Sess, Eastern Gateway Community College trustees approve new dissolution plan, Youngstown News, May 15, 2024, <https://www.wkbn.com/news/local-news/youngstown-news/eastern-gateway-community-college-trustees-approve-new-dissolution-plan/>; Lauren Coffey, Embattled Eastern Gateway Community College to Close, Inside Higher Ed, May 17, 2024, <https://www.insidehighered.com/news/quick-takes/2024/05/17/embattled-eastern-gateway-community-college-close>.

15. On May 16, my associate, Jeff Bartolozzi, emailed counsel for EGCC, copying me. Mr. Bartolozzi's email expressed concern that "EGCC is attempting to liquidate and dissipate

its assets in an attempt to become judgment proof from SRC's pending claims prior to the Court's ruling," and asking EGCC to "provide assurance to SRC that any proceeds from the sale of assets, including the real property located at 110 John Scott Highway and the Pugliese Training Center, shall be placed in escrow to prevent EGCC from irretrievably transferring assets away from EGCC's creditors, including SRC."

16. On May 17, counsel for EGCC responded, copying me, and stating, "Any proceeds EGCC realizes from the sale will be used to pay ongoing operating expenses and/or outstanding debts. If SRC would like to secure a place in line with EGCC's creditors, it should make a reasonable settlement demand" On May 30, 2024, Mr. Bartolozzi emailed counsel for EGCC again, copying me. Mr. Bartolozzi requested a timeline for EGCC's sale of real property or assets before the school dissolves such as when EGCC expects to sell the real property located at 110 John Scott Highway and the Pugliese Training Center as well as a request for assurance that EGCC would keep any proceeds in escrow. To date, EGCC's counsel has not responded to Mr. Bartolozzi's May 30, 2024 email.

17. A copy of Mr. Bartolozzi's May 16 email and EGCC's counsel's May 17 response and Mr. Bartolozzi's May 30, 2024 email is **Attachment B** to this declaration.

18. Public records show that the deed to EGCC's Steubenville campus contains a clause stating, "[T]his conveyance is made to the board of Trustees of the Jefferson County Technical Institute for educational purposes only . . . and if said premises are not used for educational purposes or if said premises cease to be used for educational purposes, title shall revert to the County of Jefferson, Ohio." A copy of the deed, received from the Jefferson County Recorder's office, is **Attachment C** to this declaration.

19. I am aware the news media has reported on the effect of this clause and

Jefferson county officials' statements about it: Linda Harris, Jefferson County Prepares To Protect Interest in Eastern Gateway Community College Property, *Intelligencer* (Wheeling, WV), Apr. 12, 2024, <https://www.theintelligencer.net/news/community/2024/04/jefferson-county-prepares-to-protect-interest-in-eastern-gateway-community-college-property/>.

Description, Location, Use, and Approximate Value of Property

20. Public records available from the Jefferson County Auditor show that EGCC's Steubenville campus, 4000 Sunset Blvd., Steubenville, Ohio, is Jefferson County Parcel No. 08-01519-000. Public records show that this property consists of a building and surrounding land. Public records show that the Jefferson County auditor currently values the land at \$1,638,730 and the improvements at \$11,028,080, for a total market value of \$12,666,810. A copy of the property card for this parcel is **Attachment D** to this declaration.

21. Public records available from the Jefferson County Auditor show that EGCC's Pugliese Center, 110 John Scott Highway, Steubenville, Ohio, is Jefferson County Parcel No. 07-11934-001. A copy of the deed for this parcel, downloaded from the Jefferson County Recorder's office, is **Attachment E** to this declaration. Public records show that this property consists of a building and surrounding land. Public records show that the Jefferson County auditor currently values the land at \$185,500 and the improvements at \$1,829,900, for a total market value of \$2,015,400. A copy of the property card for this parcel is **Attachment F** to this declaration.

22. On information and belief, ECGG has put these properties to educational and administrative use.

Praeipce and Notice

23. Along with its motion for prejudgment attachment, SRC is filing a praecipe asking the clerk to serve EGCC with the notice required by Ohio Rev. Code § 2715.041.

24. In addition, the motion is being filed electronically, so EGCC's counsel will receive notice by operation of the court's ECF system.

Further declarant sayeth naught.

Executed on June 5, 2024

/s/ Robert Folland

Robert Folland